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Outline: Probable Development of the Soviet Bloc and Western Power Positions

I. General

- A. There is no unequivocal answer to the question, "Is time on our side?"
 - 1. There are too many imponderables involved.
- B. We can, however, appraise our situation vis-a-vis the Bloc if present trends continue.
 - 1. Significant factors which might alter present trends can be established.

II. Probable economic growth of Soviet Bloc and West

A. Soviet Bloc

- 1. In 1952, GNP of Soviet estimated to be 1/3 that of West
 - a) Will almost double during next 15 years.
- 2. Rate of growth of Soviet economy surpasses that of West.
 - a) This is leveling off (7-8% in 1948-52; 3-4% at end of 15 year period).
- 3. Bloc economic-military capabilities will increase substantially, due to greater emphasis in this field.
(i.e. more emphasis on foreign Trade)
- 4. Projections could be invalidated by:
 - a) Struggle for power or internal dissension in Bloc.
 - b) Relaxation in pace of Bloc industrialization.
 - c) Difficulty in increasing labor force.
 - d) Probable lag in agricultural production.
 - e) Increased application of scientific methods to Bloc agriculture.

B. The West

- 1. More difficult to predict.
 - a) Free Western economies more subject to fluctuation and trends in international trade.

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2. Western powers face greater difficulties in directing their economic effort than do Soviets.
 3. Peacetime will to sacrifice is less in West.
 4. Coordination of policies among free nations is more difficult.
 5. Although rate of growth of Bloc GNP will exceed that of West, latter's GNP is initially so much greater that the absolute gap between the two will widen during the 15 year period.
 - a) West will remain greatly superior in total economic strength.
 - b) This superiority may be nullified by Bloc's devoting a larger percentage of its resources to military preparations.
 - c) Economic superiority may not be the ruling factor in determining whether time is on our side.

III. Scientific capabilities of West versus Bloc

- A. Overall scientific assets of West will remain superior.
 - 1. But USSR will narrow the gap.
 - 2. West is likely to produce more basic advances and to translate more prototypes into high quality production.
 - 3. Bloc may concentrate on short-range projects.
 - B. A major technological breakthrough by either side could change the power balance - but is unpredictable.

IV. Military trends

- A. West will maintain a substantial advantage in atomic capability, which the Bloc will gradually reduce.
 - B. Before end of period, each side will have a sufficient stockpile of atomic, possibly thermonuclear, weapons to cripple the other.
 - C. Each side will also acquire the means of delivering these weapons, unless defensive developments cancel out offensive.
 - D. US will lose strategic advantage previously stemming from relative safety from quick attack.
 - E. US superiority in strategic atomic weapons will permit it to maintain superiority in tactical atomic weapons.

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- F. Stress on conventional military capabilities for waging general war may increase.
- G. Western power positions in cold war will increase relatively if it can develop local military capabilities around Bloc periphery and if Western Europe and Japan can be defended against USSR in general war.
1. Resources of these areas will significantly strengthen the West.

V. Political and Social Strength of Soviet Bloc and West.

A. Soviet Bloc.

1. Political and social trends may have a controlling effect on relative power positions in next 15 years.
2. Struggle for control in Kremlin might cause decay in Soviet power, but can't be predicted.
 - a) No indication as yet that Stalin's death has affected economic and military bases of Soviet power.
 - b) Reverses in new policies could, however, have repercussions in the Kremlin.
(e.g. Present speculation concerning Beria's absence from Bolshoi)
3. Unsafe to assume that Bloc will disintegrate in next 15 years.
 - a) New soft tactics in long run may lengthen Kremlin's lease on power.
4. Sino-Soviet differences a potential weakness.

B. West

1. Trends here more difficult to predict.
 - a) Looser coalition, greater variety of forces at play.
2. West in foreseeable future will not have the centralized control characteristic of the Bloc.
 - a) Will be more subject to internal conflicts, economic fluctuations, etc.
3. Much depends on the role played by the US itself
4. Western Europe's role is major

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- a) Its weaknesses are a major vulnerability.
 - b) Its acquisition would be a tremendous increment to Soviet power.
5. Major Kremlin objective - to frustrate development of a viable ~~and~~ defensive Western Europe.
- a) In effort, will concentrate on Germany - the key to the European situation.
 - 1) A united, rearmed Germany would inject a significant factor into world power balance.
 - 2) Such a Germany more inclined to align with West than with Bloc.
 - b) Emergence of a neutralized Japan would be a major asset in restoring strategic balance in Far East.

VII. "Gray" Areas

- A. Middle and Far Eastern and African underdeveloped areas a source of major western difficulty.
 - 1. Political and social instability a source of vulnerability to Communist influences.
 - 2. Political and social revolutions in these areas have anti-Western overtones.

B. Loss of these areas could be an acute blow to the West.

- 1. Loss of Indo China, e.g., could result in eventual loss of most of mainland S. E. Asia.
 - 2. Communist take-over in Iran possible.
 - a) USSR now trying to orient Iran toward itself.

C. However, Western control or influence in these areas is still paramount and can be maintained.

VIII. Effect of Kremlin's soft tactics.

- A. Will challenge further growth in military strength and cohesion of West.
 - 1. Soft Soviet tactics can encourage Western divisions.
 - 2. "Third force" may develop in long run.
 - 3. Relaxation will permit West to concentrate on domestic needs - might also lead to unemployment.

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- B. Prolonged relaxation might also sap vitality of world communism.
1. Would reduce Soviet power position.
 2. Might lead to restlessness in the Orbit.
 3. Voluntary adherence of "socialist" state to Orbit might be shaken.

VIII. Is time on our side?

- A. Time favors the Bloc as regards the development of the atomic strength to cripple the US, and as regards the increasing relative strength of the economy and technology.
- B. In some other respects, time may be on our side.
1. West's military capabilities will increase.
- C. Certain trends tend to undermine the stability of one side or the other, with their effects unpredictable for a 15 year period.
1. Trends in under-developed areas are against the West.
 2. Internal Soviet rigidity may deprive the Bloc of vitality needed for growth of a political system.
 3. New Soviet relaxed policy may adversely affect economy and stability of the Bloc.
 4. We cannot assume that these problems will assume critical proportions within the next 15 years.

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changed to a Korean discussion.

RAR